

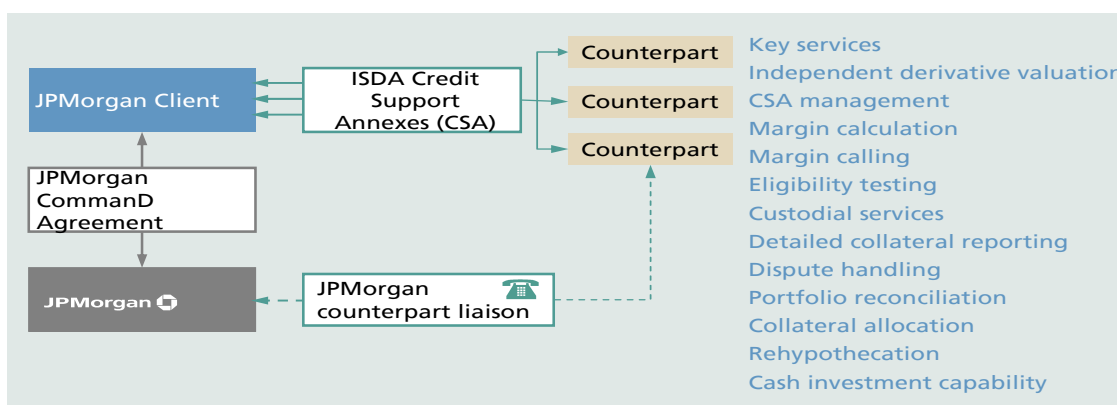
## JPMorgan Command<sup>SM</sup> Derivatives Collateral Management Services

The benefits of using collateral as a risk mitigation tool in OTC derivatives transactions are clear. However, many institutions lack the relevant expertise to implement a robust and effective collateral program.

In addition, the high cost of developing a solution internally or buying software may also be an impediment to realizing cost efficient credit risk mitigation.

### Key benefits

- JPMorgan Command is the industry's first full-service OTC derivatives collateral management solution.
- Clients can take advantage of a more cost effective means of managing their collateral than many in-house alternatives.
- Implementation is measured in weeks rather than the months usually associated with technology implementations.
- Clients benefit from JPMorgan's extensive collateral management experience and investment in infrastructure.



JPMorgan, an innovator in collateral management, now offers dedicated services to meet clients' margining needs as dictated by ISDA Credit Risk Support Annex (CSA) agreements.

### JPMorgan Command supports credit risk mitigation needs via an end-to-end post trade service

The firm's OTC derivatives collateral management service — JPMorgan Command — supports clients' credit risk mitigation needs within a secure, scalable and flexible environment.

JPMorgan Command provides an end-to-end post-trade service incorporating valuations, CSA management, settlement and custody.

### JPMorgan Command values OTC derivatives

Obtaining independent accurate and timely valuations for OTC derivative transactions can prove challenging. To this end, JPMorgan now offers a secure valuation service independent of its investment bank and not reliant upon counterparty input.

Daily valuations for a wide range of instruments may be used to calculate and meet any required margin calls.

Alternatively, clients may choose to supply JPMorgan with their own valuations.

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**Contact your JPMorgan representative to learn more, visit [jpmorgan.com/ccm](http://jpmorgan.com/ccm) or call us:**

**North America: 212 623 0545**

**Europe, Middle East, Africa: 44 20 7777 2356**

**Asia-Pacific: 852 2800 1859**

# WORLDWIDE SECURITIES SERVICES

## JPMorgan Command manages CSA agreements

The JPMorgan Command platform leverages a combination of SunGard's proven Adaptiv risk management software and JPMorgan's proprietary collateral management platform.

JPMorgan Command determines whether client exposure is adequately collateralized with acceptable assets on a daily basis. If thresholds are breached, and our client is exposed, JPMorgan automatically issues a margin call to the relevant client counterpart. Similarly, JPMorgan will validate and act upon counterpart margin calls. In the event there is a dispute, JPMorgan will reconcile client and counterpart valuations.

## JPMorgan Command rehypothecates collateral to lower funding costs

JPMorgan's global custody network is able to provide cash and securities accounts in all major markets. JPMorgan Command also supports rehypothecation (re-use) of collateral assets (cash and securities), giving clients an opportunity to significantly lower collateral funding costs. The JPMorgan Command platform can both track rehypothecation movements and service rehypothecated assets.

In addition, we can help clients structure cash reinvestment solutions to optimize the returns on cash collateral, working closely in line with the terms of their CSAs. JPMorgan has a proven record of structuring collateral reinvestments.

## Global coverage, local support

JPMorgan is a leader in global collateral management services, launching the first international tri-party service in 1992. Today, the firm manages more than \$1 trillion in collateral and offers a fully integrated worldwide securities clearance and collateral management system. We have also leveraged our strong derivatives expertise to establish a comprehensive, robust service.

JPMorgan Command stands ready to offer optimal solutions to client collateral management challenges, regardless of size and complexity.

We consider dedicated collateral administration teams and service delivery managers situated locally in each time zone to be a prerequisite for offering a truly global service. Our experienced staff stands ready to offer optimal solutions to your collateral management challenges, regardless of the size or complexity of your requirements.

## JPMorgan Command difference

JPMorgan is perfectly placed to partner with clients to implement a fully flexible and scalable collateral management service. We implement secure and automated solutions that can remove costly internal or third-party software burdens. Our proven track record in all aspects of collateral management allows clients to focus on their core businesses.

## Related banking products

JPMorgan's collateral management business is a part of JPMorgan Chase & Co. Leveraging JPMorgan's global

expertise and the firm's full breadth of service capabilities, we can provide value added services that help you maximize returns, increase efficiency and better manage risk.

We can introduce your organization to a wide range of complementary products and services offered through JPMorgan including global derivatives services, clearance, cash management, credit products, custody, escrow, foreign exchange and transaction advisory solutions.